

FIRST REGULAR SESSION

SENATE BILL NO. 572

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR DEMPSEY.

Read 1st time February 26, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

2078S.011

AN ACT

To amend chapter 174, RSMo, by adding thereto twenty new sections relating to science and innovation reinvestment.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 174, RSMo, is amended by adding thereto twenty new sections, to be known as sections 174.800, 174.803, 174.806, 174.809, 174.812, 174.815, 174.818, 174.821, 174.824, 174.827, 174.830, 174.833, 174.836, 174.839, 174.842, 174.848, 174.851, 174.854, 174.857, and 174.860, to read as follows:

174.800. 1. Sections 174.800 to 174.860 shall be known and may be cited as the "Missouri Science and Innovation Reinvestment Act".

2. As used in sections 174.800 to 174.860, the following words and phrases shall have the following meanings:

(1) "Act", the Missouri science and innovation reinvestment act;

(2) "Applicable percentage", the percentage of state income tax withheld by science and innovation companies that will be credited and transferred to the science and innovation reinvestment fund in accordance with section 174.809, determined as follows: for the first fifteen funding years following August 28, 2009, the applicable percentage shall be one hundred percent; for the immediately subsequent five funding years the applicable percentage shall be seventy-five percent; and for the immediately subsequent five funding years the applicable percentage shall be fifty percent; provided, however that in no case shall the applicable percentage in any funding year be lower than the applicable percentage captured by comparable funds and allocated to comparable agencies in other states geographically contiguous with the state in any comparable period;

(3) "Applied research", any activity that seeks to utilize,

20 synthesize, or apply existing knowledge, information, or resources to
21 the resolution of a specific problem, question, or issue of science and
22 innovation, including but not limited to translational research;

23 (4) "Authority", the Missouri science and innovation authority
24 created under sections 174.800 to 174.860;

25 (5) "Authority employee", an employee of the authority who
26 performs services for the authority and whose salary is paid in whole
27 or in part by the authority. An authority employee shall not be
28 considered to be an employee of the state of Missouri, as such term is
29 defined in this act, or in any other statute or regulation;

30 (6) "Base year", the calendar year ending December 31, 2007;

31 (7) "Base year taxation", the aggregate amount of all withholding
32 taxes for the base year;

33 (8) "Basic research", any original investigation for the
34 advancement of scientific or technological knowledge of science and
35 technology;

36 (9) "Board", the board of directors of the authority established
37 pursuant to section 174.818;

38 (10) "Bonds", any bonds, notes, lease certificates of participation,
39 or other evidences of indebtedness, whether or not the interest on
40 which is subject to federal income taxation, issued by the authority
41 pursuant to sections 174.800 to 174.860;

42 (11) "Commercialization", any of the full spectrum of activities
43 required for a new technology, product, or process to be developed
44 from its basic research or conceptual stage through applied research
45 or development to the marketplace, including without limitation, the
46 steps leading up to and including licensing, sales, and services;

47 (12) "Conflicts of interest policy", the policy to be adopted by the
48 authority in accordance with section 174.836;

49 (13) "Director", any natural person properly appointed to, and
50 serving as a member of, the board in compliance with the provisions of
51 section 174.818;

52 (14) "Eminent scholar", world-class, distinguished, and
53 established investigators recognized nationally for their research,
54 achievements, and ability to garner significant funding from sources
55 outside of Missouri, including without limitation, the federal
56 government or other national or international government body, or

57 another private or public organization making grants or extending
58 funding for science and innovation. Eminent scholars shall be persons
59 recognized for their scientific knowledge and entrepreneurial spirit to
60 enhance the innovative research that leads to economic gains and
61 whose relationship with the state will enhance the state's reputation
62 for "world class" research in the applicable field;

63 (15) "Fields of applicable expertise", any of the following fields:
64 science and innovation research, development, or commercialization,
65 including basic research and applied research; corporate finance,
66 venture capital, and private equity; the business and management of
67 science and innovation companies; health care; legal affairs; science
68 and innovation education; or civic or corporate leadership in areas
69 related to science and innovation;

70 (16) "Funding year", any of the series of twenty-five consecutive
71 twelve full calendar month periods ending on June thirtieth, with the
72 first such funding year to begin July 1, 2010;

73 (17) "Inherent conflict of interest", a fundamental or systemic
74 conflict of interest that, prevents a person from serving as a
75 disinterested director and routinely performing his or her duties as a
76 director by properly exercising his or her fiduciary duties to the
77 authority without having to frequently recuse him or herself from
78 matters in front of the board, including:

79 (a) Any person who is currently serving in any elected or
80 appointed position with the state or any subdivision thereof, including
81 any quasi-governmental body of the state or any subdivision thereof, or
82 who has served in any such capacity within the twenty-four months
83 prior to the date in question;

84 (b) Any person who is a director, officer, or employee of any
85 entity that is likely to have material business dealings with, or
86 interests that are likely to materially conflict with the interests of, the
87 authority;

88 (c) Any person who is an independent contractor to, or agent or
89 representative of, any entity that is likely to have material business
90 dealings with, or interests that are likely to materially conflict with the
91 interests of, the authority; or

92 (d) Any other situation or circumstance which, in the opinion of
93 the nominating committee, prevents a board member or candidate from

94 regularly serving as a disinterested board member and executing his
95 or her fiduciary duties to the authority;

96 (18) "Initial term", the terms for the initial directors set forth in
97 subsection 2 of section 174.818;

98 (19) "NAICS industry groups" or "NAICS codes", the North
99 American Industry Classification System developed under the auspices
100 of the Office of Management and Budget adopted in 1997, as may be
101 amended, revised, or replaced by similar classification systems for
102 similar uses from time to time;

103 (20) "Powers", the powers granted to the authority under sections
104 174.800 to 174.860, including but not limited to section 174.806;

105 (21) "President", the chief executive officer of the authority, who
106 may alternatively be the "executive director" or "chief executive officer"
107 as determined by the board;

108 (22) "Rising star scholar", up-and-coming distinguished
109 investigators growing in their national or international reputations in
110 their fields, who are active and demonstrate leadership in their
111 associated professional societies, and who attract significant research
112 grant support from sources outside of Missouri, including without
113 limitation, the federal government, other national or international
114 government bodies, or another private or public organization making
115 grants or extending funding for science and innovation;

116 (23) "Science and innovation", the use of compositions, methods,
117 and organisms in research, development, and manufacturing processes
118 for such diverse areas as animal health and veterinary medicine, plant
119 sciences and plant biology, agricultural sciences, renewable energy,
120 pharmaceuticals, medical therapeutics, medical diagnostics, medical
121 devices, medical instruments, biology, biochemistry, biotechnology,
122 nanotechnology, bioinformatics, microbiology, forestry, environmental
123 sciences and technologies; and industrial, environmental, and homeland
124 security applications of science and technology, including future
125 developments in science and innovation;

126 (24) "Science and innovation company", a corporation, limited
127 liability company, S corporation, partnership, registered limited
128 liability partnership, foundation, association, non-profit entity, sole
129 proprietorship, business trust, person, group, or other entity that is:

130 (a) Engaged in the research, development, commercialization, or

131 **business of science and innovation in the state, including, without**
132 **limitation, research, development, or production directed towards**
133 **developing or providing science and innovation products, processes, or**
134 **services for specific commercial or public purposes, including**
135 **hospitals, nonprofit research institutions, incubators, accelerators, and**
136 **state universities currently located in or involved in the research,**
137 **development, commercialization, or business of science and innovation**
138 **in the state; or**

139 **(b) Is identified by the following NAICS industry groups or**
140 **NAICS codes, or any amended or successor code sections covering these**
141 **areas of research, development, and commercial endeavors:**

- 142 **a. 3251 Basic chemical manufacturing;**
- 143 **b. 3253 Agricultural chemical manufacturing;**
- 144 **c. 3254 Pharmaceutical and medicine manufacturing;**
- 145 **d. 3391 Medical equipment and supplies manufacturing;**
- 146 **e. 51121 Prepackaged software;**
- 147 **f. 621311 Medical laboratories;**
- 148 **g. 62231 Specialty hospitals;**
- 149 **h. 54171 Commercial physical research;**
- 150 **i. 54171 Noncommercial research organizations;**
- 151 **j. 54138 Testing laboratories;**
- 152 **k. 54171 Physical, engineering, and biological research;**
- 153 **l. 333298 Special industry machinery;**
- 154 **m. 424910 Farm supplies merchant wholesalers;**
- 155 **n. Industrial biotechnology;**
- 156 **o. 311119 Prepared animal feeds;**
- 157 **p. 311221 Wet corn milling;**
- 158 **q. 311222 Soybean processing;**
- 159 **r. 311223 Other oilseed processing;**
- 160 **s. 325193 Ethyl alcohol manufacturing;**
- 161 **t. 325199 All other basic organic chemical manufacturing;**
- 162 **u. 325221 Cellulosic organic fiber manufacturing;**
- 163 **v. 325222 Noncellulosic organic fiber manufacturing;**
- 164 **w. 325611 Soap and other detergent manufacturing;**
- 165 **x. 325612 Polish and other sanitation good manufacturing;**
- 166 **y. 325613 Surface active agent manufacturing;**
- 167 **z. 325311 Nitrogenous fertilizer manufacturing;**

- 168 aa. 325312 Phosphatic fertilizer manufacturing;
169 bb. 325314 Fertilizer (mixing only) manufacturing;
170 cc. 325320 Pesticide and other agricultural chemical;
171 dd. 325414 Biological products;
172 ee. Drugs and pharmaceuticals;
173 ff. 325411 Medicinal and botanical manufacturing;
174 gg. 325412 Pharmaceutical preparation manufacturing;
175 hh. 325414 Other biological product manufacturing;
176 ii. Medical devices, equipment, and supplies;
177 jj. 334510 Electromedical apparatus manufacturing;
178 kk. 334516 Analytical laboratory instrument manufacturing;
179 ll. 334517 Irradiation apparatus manufacturing;
180 mm. 339111 Laboratory apparatus and furniture;
181 nn. 339112 Surgical and medical instrument;
182 oo. 339113 Surgical appliance and supplies manufacturing;
183 pp. 339114 Dental equipment and supplies manufacturing;
184 qq. 339115 Ophthalmic good manufacturing;
185 rr. 339116 Dental laboratories;
186 ss. Research, testing, and medical laboratories;
187 tt. 541380 Testing laboratories;
188 uu. 541710 Physical, engineering, and biological;
189 vv. 621511 Medical laboratories;
190 ww. 621512 Diagnostic imaging centers;
191 xx. Agricultural biotechnology;
192 yy. 111191 Oilseed and grain combination farming;
193 zz. 111421 Nursery and tree production;
194 aaa. 111920 Cotton farming;
195 bbb. 111998 All other miscellaneous crop farming;
196 ccc. 311211 Flour milling;

197 Each of the above listed four-digit codes shall include all six-digit codes
198 in that four-digit industry; however, each six-digit code shall stand
199 alone, and not indicate the inclusion of other, omitted six-digit codes
200 that also are subsets of the pertinent four-digit industry to which the
201 included six-digit code belongs;

202 (25) "Science and innovation employee", any employee, officer, or
203 director of a science and innovation company who is a state taxpayer
204 and any employee of a state university who is associated with or

205 supports the research, development, commercialization, or business of
206 science and technology in the state and is obligated to pay state income
207 tax to the state;

208 (26) "Scientific advisory board", the advisory board described in
209 section 174.827;

210 (27) "Science and innovation reinvestment fund", the fund
211 described in section 174.809;

212 (28) "State", the state of Missouri;

213 (29) "State income tax", the annual tax imposed by the state on
214 a person's income, as imposed by chapter 143, RSMo;

215 (30) "State university", an institution of post-high school
216 education, public or private, that grants undergraduate or
217 postgraduate academic degrees; that conducts significant research or
218 development activities in the areas of science and innovation; and that
219 has a significant physical presence in the state;

220 (31) "Withholding taxes", for any period, the aggregate of all
221 amounts withheld from amounts paid to science and innovation
222 employees during such period for the payment of state income taxes;

223 (32) "Year", any twelve full calendar month period ending on any
224 December thirty-first.

174.803. 1. The authority shall be an independent
2 instrumentality of the state. Its exercise of the rights, powers, and
3 privileges conferred by sections 174.800 to 174.860 shall be deemed and
4 held to be the performance of an essential governmental function of the
5 state.

6 2. The mission and purpose of the authority shall be to:

7 (1) Make Missouri the most desirable state in which to conduct,
8 facilitate, support, fund, and perform science and innovation research,
9 development, and commercialization;

10 (2) Facilitate and effect the creation, attraction, retention,
11 growth, and enhancement of both existing and new science and
12 innovation companies in the state;

13 (3) Make Missouri a national leader in science and innovation;
14 and

15 (4) Enhance workforce development, retain quality jobs, create
16 new jobs, foster economic growth, advance scientific knowledge, and
17 improve the quality of life for the citizens of the state of Missouri.

18 **3. The authority shall have perpetual existence until an act of**
19 **law expressly terminating the authority; provided that no such law**
20 **shall take effect so long as the authority has obligations or bonds**
21 **outstanding unless adequate provision has been made for the payment**
22 **or retirement of such debts or obligations. Upon any such dissolution**
23 **of the authority, all property, funds, and assets thereof shall be vested**
24 **in the state.**

25 **4. The state hereby pledges to, and agrees with, recipients of**
26 **authority funding or beneficiaries of authority programs under sections**
27 **174.800 to 174.860 that the state shall not limit or alter the rights vested**
28 **in the authority under sections 174.800 to 174.860 to fulfill the terms of**
29 **any agreements made or obligations incurred by the authority with or**
30 **to such third parties, or in any way impair the rights and remedies of**
31 **such third parties until the obligations of the authority and the state**
32 **are fully met and discharged in accordance with sections 174.800 to**
33 **174.860.**

174.806. 1. The authority shall have all of the powers necessary
2 **to carry out the purposes and provisions of sections 174.800 to 174.860,**
3 **including, without limitation, the power to:**

4 **(1) Make and execute contracts, guarantees, or any other**
5 **instruments and agreements necessary or convenient for the exercise**
6 **of its powers and functions including, without limitation, to make and**
7 **execute contracts with science and technology enterprises, including**
8 **start-up companies, other public and private persons and entities,**
9 **health care businesses, state universities, and colleges, and to incur**
10 **liabilities and secure the obligations of any entity or individual;**

11 **(2) Engage in undertakings, programs, enterprises, and activities**
12 **involving applied research, basic research, or science and innovation**
13 **commercialization;**

14 **(3) Borrow money and to pledge all or any part of the authority's**
15 **assets therefore;**

16 **(4) Purchase, lease, trade, exchange, or otherwise acquire,**
17 **maintain, hold, improve, mortgage, sell, and dispose of personal**
18 **property, whether tangible or intangible, and any interest therein; and**
19 **to purchase, lease, trade, exchange, or otherwise acquire real property**
20 **or any interest therein, and to maintain, hold, improve, mortgage, sell,**
21 **lease, and otherwise transfer such real property to the universities,**

22 colleges, public institutions, and private enterprises in the state, so
23 long as such transactions do not conflict with the mission of the
24 authority as specified in sections 174.800 to 174.860;

25 (5) Own, acquire, construct, renovate, equip, improve, operate,
26 maintain, sell, or lease any land, buildings, or facilities in the state that
27 can now or may in the future be used in researching, developing,
28 sponsoring, or commercializing science and innovation in the state,
29 including state-of-the-art facilities, laboratories, or commercial wet lab
30 space incubators, land assembly for research districts, tenant
31 improvements, or equipment purchases, to be used by science and
32 innovation companies for research and the commercialization of
33 science and innovation, including science and technology concepts,
34 products, and processes; and commit to do so in the future for the
35 purpose of attracting programs of national or international repute,
36 including government laboratories or other research or development
37 facilities;

38 (6) Issue bonds in such principal amounts as the board decides
39 are necessary to provide sufficient funds for achieving any of the
40 authority's purposes under sections 174.800 to 174.860;

41 (7) Develop policies and procedures generally applicable to the
42 procurement of goods, services, and construction, based upon sound
43 business practices;

44 (8) Solicit, study, and assist in the preparation of business plans
45 and proposals of new or established businesses to advance science and
46 innovation in the state;

47 (9) Organize, conduct, sponsor, fund, cooperate in or assist with
48 institutes, conferences, meetings, events, demonstrations, and studies
49 relating to the stimulation, formulation, or implementation of applied
50 research, basic research, or science and innovation endeavors in the
51 state;

52 (10) Spend funds in the science and innovation reinvestment
53 fund in order to own and possess patents, copyrights, trademarks, and
54 proprietary technology and to enter into contracts for the purposes of
55 commercializing and establishing charges for the use of such patents,
56 copyrights, trademarks, and proprietary technology;

57 (11) Contract for and to accept any gifts, grants, and loans of
58 funds, property, or any other aid in any form from the Federal

59 government, the state, any state agency, or any other source, or any
60 combination thereof, and to comply with the provisions of the terms
61 and conditions thereof;

62 (12) Make, amend, and repeal bylaws, rules, and regulations for
63 the management of its affairs;

64 (13) Have the duties, privileges, immunities, rights, liabilities,
65 and disabilities of a body politic and corporate and independent
66 instrumentality of the state;

67 (14) Have perpetual existence and succession;

68 (15) Adopt, have, and use a seal and to alter the same at its
69 pleasure;

70 (16) Sue and be sued in its own name;

71 (17) Acquire space, equipment, services, supplies, and insurance
72 necessary to carry out the purposes of sections 174.800 to 174.860;

73 (18) Deposit any moneys of the authority in any banking
74 institution within or without the state or in any depository authorized
75 to receive such deposits, with one or more persons to act as custodians
76 of the moneys of the authority;

77 (19) Procure such insurance, participate in such insurance plans,
78 or provide such self insurance or both as it deems necessary or
79 convenient to carry out the purposes and provisions of sections 174.800
80 to 174.860; the purchase of insurance, participation in an insurance
81 plan, or creation of a self-insurance fund by the authority shall not be
82 deemed as a waiver or relinquishment of any sovereign immunity to
83 which the authority or its officers, directors, employees, or agents are
84 otherwise entitled;

85 (20) Appoint, supervise, and set the salary and compensation of
86 the president, who shall be appointed by and serve at the pleasure of
87 the board;

88 (21) Fix, revise, charge, and collect rates, rentals, fees, and other
89 charges for the services or facilities furnished by or on behalf of the
90 authority, and to establish policies and procedures regarding any such
91 service rendered for the use, occupancy, or operation of any such
92 facility; such charges and policies and procedures not to be subject to
93 supervision or regulation by any commission, board, bureau, or agency
94 of the state; and

95 (22) Do any and all things necessary or convenient to carry out

96 the authority's purposes and mission and exercise the powers given in
97 sections 174.800 to 174.860.

98 2. The authority is authorized to expend any and all funds from
99 the science and innovation reinvestment fund, all funds derived from
100 bonds issued pursuant to section 174.815, and all other assets and
101 resources of the authority for the exclusive purpose of fulfilling any
102 purpose, power, or duty of the authority under sections 174.800 to
103 174.860, including but not limited to implementing the powers,
104 purposes, and duties of the authority as enumerated in subsection 1 of
105 section 174.806.

106 3. The authority may make grants, loans, and investments in any
107 person or entity to further the purposes, on such terms as the board
108 may determine are in the best interests of the authority and in
109 furtherance of the purposes, and the authority may create, invest in,
110 and own, in whole or in part, or otherwise acquire or dispose of any
111 entity organized for a purpose related to or in support of the mission
112 of the authority.

113 4. The authority may participate in joint ventures and
114 collaborate with any taxpayer, governmental body or agency, insurer,
115 university, or college of the state, or any other entity to facilitate any
116 activities or programs consistent with the purpose and intent of
117 sections 174.800 to 174.860.

118 5. The authority may create a nonprofit entity or entities for the
119 purpose of soliciting, accepting, and administering grants, outright
120 gifts and bequests, endowment gifts and bequests, and gifts and
121 bequests in trust, which entity or entities shall not engage in trust
122 business.

123 6. In carrying out any activities authorized by sections 174.800
124 to 174.860, the authority may provide appropriate assistance, including
125 the making of investments, grants, and loans, and providing time of
126 employees, to any taxpayer, governmental body, or agency, insurer,
127 university, or college of the state, or any other entity, whether or not
128 any such taxpayer, governmental body or agency, insurer, university,
129 or college of the state, or any other entity, is owned or controlled in
130 whole or in part, directly or indirectly, by the authority.

131 7. Notwithstanding any provision of law to the contrary, in
132 furtherance of the powers of the authority, the authority may invest the

133 funds of the science and innovation reinvestment fund, and those
134 received from gifts, grants, donations, and other operations of the
135 authority, in such investments as would be lawful for a private
136 corporation having purposes similar to the authority, including pre-
137 seed, seed capital, proof-of-concept, SBIR/STTR, and venture capital
138 investments, through either direct investments or indirect investments
139 through another investment vehicle or fund, and in any obligations or
140 securities as authorized by the board.

141 8. Except as expressly provided in sections 174.800 to 174.860, all
142 monies earned or received by the authority, including all funds derived
143 from the commercialization of science and innovation products,
144 methods, services, and technology by the authority, or any affiliate or
145 subsidiary thereof, or from the science and innovation reinvestment
146 fund, shall belong exclusively to and be subject to the exclusive control
147 of the authority.

148 9. The authority may own and possess all patents, copyrights,
149 trademarks, and proprietary technology, developed at any facility
150 owned or operated by the authority, paid for or sponsored by the
151 authority, or associated with the commercialization of science and
152 innovation products by the authority or any employee, officer, agent,
153 or representative of the authority. The board shall also have the right
154 to compensate any employee, officer, agent, or representative of the
155 authority who develops or makes such discovery. No such payment
156 shall be deemed to violate the Missouri laws now existing or later
157 amended or adopted, including prohibitions on private inurement and
158 private benefit.

159 10. The authority may sell, license, contribute, or provide science
160 and innovation intellectual property to any third party for a fee, for an
161 ownership interest in the third party, or other consideration, so as to
162 commercialize science and innovation intellectual property. The
163 authority may also provide services, facilities, and assist in
164 commercializing third party innovation for a fee, for an ownership
165 interest in the third party, or other consideration. The authority may
166 take all such actions necessary to commercialize any innovation in
167 which the authority has an interest.

168 11. The authority may promote and facilitate the transfer of
169 technology developed by eminent scholars, rising star scholars, state

170 universities, science and technology companies and start-up companies
171 engaged in science and innovation in the state. The transfer of
172 technology includes, without limitation, assisting with filing patent
173 applications, executing licenses, paying maintenance fees and
174 managing the finance, production, sales, and marketing of science and
175 innovation intellectual property.

176 12. The exercise, by the authority, of the powers permitted by
177 sections 174.800 to 174.860 is deemed to be an essential governmental
178 function in matters of public necessity in the cultivation of job
179 creation, work force development, and education and research,
180 development, and commercialization in the areas of science and
181 innovation.

174.809. 1. There is hereby created in the state treasury the
2 "Science and Innovation Reinvestment Fund", which shall consist of
3 money collected under sections 174.800 to 174.860. The state treasurer
4 shall be custodian of the fund and may approve disbursements from the
5 fund in accordance with sections 30.170 and 30.180, RSMo. Upon
6 appropriation, money in the fund shall be used solely for the
7 administration of sections 174.800 to 174.860. Notwithstanding the
8 provisions of section 33.080, RSMo, to the contrary, any moneys
9 remaining in the fund at the end of the biennium shall not revert to the
10 credit of the general revenue fund. The state treasurer shall invest
11 moneys in the fund in the same manner as other funds are
12 invested. Any interest and moneys earned on such investments shall be
13 credited to the fund.

14 2. As soon as practicable after the effective date of this act, the
15 director of the department of revenue and the authority shall establish
16 base year taxation and shall communicate the amount of the base year
17 taxation to the board of the authority. Within one hundred twenty days
18 after the end of each year beginning with the year ending December 31,
19 2009, and for each subsequent year prior to the end of the last funding
20 year, the director of revenue and the authority shall determine and
21 report the increase of aggregate withholding taxes for the year over the
22 base year taxation. The director of revenue and the authority may
23 consider any verifiable evidence, including but not limited to the
24 NAICS code assigned or recorded by the Department of Labor for
25 companies with employees in the state, when determining which

26 organizations should be classified as science and innovation companies.

27 3. For each of the twenty-five funding years, beginning with the
28 funding year beginning July 1, 2010, the director of revenue shall pay
29 to, or direct employers of science and innovation employees to pay to,
30 the science and innovation reinvestment fund an amount equal to a
31 percentage of all withholding taxes received or withheld for any period
32 during such funding year that shall equal the product of the applicable
33 percentage for the current year multiplied by an amount equal to the
34 difference of all withholding taxes for the prior year, minus the base
35 year taxation. Such employers of science and innovation employees
36 shall pay any remaining withholding taxes not paid to the science and
37 innovation reinvestment fund under sections 174.800 to 174.860 to the
38 Missouri department of revenue, as required by law. The director of
39 revenue may make estimated payments to the science and innovation
40 reinvestment fund more frequently based on estimates provided by the
41 director of revenue and reconciled annually.

 174.812. 1. Within six months after the end of each fiscal year,
2 the authority shall prepare and submit to the general assembly and
3 governor an annual report:

4 (1) Of all distributions from the science and innovation
5 reinvestment fund pursuant to the provisions of sections 174.800 to
6 174.860, and from any income, investment and income tax credits, and
7 exemptions pursuant to sections 174.800 to 174.860;

8 (2) Tracking the growth of science and innovation research and
9 industry in Missouri. The authority may contract with a third party to
10 prepare such report;

11 (3) Setting forth a complete and detailed operating and financial
12 statement of the authority during such fiscal year;

13 (4) Which shall include comprehensive information regarding all
14 audit reports performed in such year, and any recommendations with
15 reference to additional legislation or other action that may be
16 necessary to carry out the purposes of the authority.

17 2. The authority shall keep its books and records in accordance
18 with generally accepted accounting procedures. Within four months
19 following the end of each fiscal year, the authority shall cause a firm
20 of independent certified public accountants of national repute to
21 conduct and deliver to the board an audit of the financial statements

22 of the authority and an opinion thereon, to be conducted in accordance
23 with generally accepted audit standards. The board may establish an
24 audit committee of the board to facilitate the interaction between the
25 authority and the audit firm.

174.815. 1. Except as may otherwise be expressly provided by the
2 board, every issue of the authority's bonds shall be obligations of the
3 authority payable out of any revenues or monies of the authority,
4 including but not limited to the assets in the science and innovation
5 reinvestment fund, subject only to any agreements with the holders of
6 particular bonds pledging any particular revenues. Any resolution by
7 the board authorizing any bonds or any issue thereof may contain such
8 provisions as deemed appropriate by the board for the purpose of
9 carrying out the authority's purposes under sections 174.800 to 174.860
10 and securing such bonds, which shall be a part of the contract with the
11 holders thereof, including, without limitation:

12 (1) Pledging all or any part of the assets or revenues of the
13 authority to secure the payment of the bonds or of any issue of bonds,
14 subject to such agreements with bondholders as may then exist, such
15 assets to include any grant or contribution from the federal
16 government or any corporation, association, institution, or person;

17 (2) The setting aside of reserves or sinking funds and the
18 regulation and disposition thereof;

19 (3) Limitations on the purpose to which the proceeds of sale of
20 bonds may be applied and pledging such proceeds to secure the
21 payment of the bonds or of any issues thereof;

22 (4) Limitations on the issuance of additional bonds, the terms
23 upon which additional bonds may be issued and secured, and the
24 refunding of outstanding or other bonds;

25 (5) The procedure, if any, by which the terms of any contract
26 with bondholders may be amended or abrogated, the amount of bonds
27 the holders of which must consent thereto, and the manner in which
28 such consent may be given;

29 (6) Limitations on the amount of monies to be expended by the
30 authority for operating expenses of the authority;

31 (7) Vesting in a trustee such property, rights, powers, and duties
32 in trust as the board may determine, which may include any or all of
33 the rights, powers, and duties of the trustee appointed by the

34 bondholders pursuant to sections 174.800 to 174.860, and limiting or
35 abrogating the right of the bondholders to appoint a trustee under this
36 actor limiting the rights, powers, and duties of such trustee;

37 (8) Defining the acts or omissions to act which shall constitute
38 a default in the obligations and duties of the authority to the holders
39 of the bonds and providing for the rights and remedies of the holders
40 of the bonds in the event of such default, including as a matter of right,
41 the appointment of a receiver, except that such rights and remedies
42 shall not be inconsistent with the general laws of the state and the
43 other provisions of sections 174.800 to 174.860; and

44 (9) Any other matters which in any way affect the security or
45 protection of the holders of the notes or bonds.

46 2. Any of the provisions relating to any bonds described in this
47 section may be set forth in a trust indenture authorized by a resolution
48 of the board.

49 3. The bonds of each issue may, in the discretion of the board, be
50 made redeemable before maturity at such prices and under such terms
51 and conditions as may be determined by the board. Bonds shall mature
52 at such time, not exceeding thirty years from their date of issue, as may
53 be determined by the board. The bonds may be issued as serial bonds
54 payable in annual installments or as term bonds or as a combination
55 thereof. The bonds shall:

56 (1) Bear interest at a rate either fixed or variable;

57 (2) Be in such denominations;

58 (3) Be in either coupon or registered form;

59 (4) Carry such registration privileges;

60 (5) Be executed in such manner;

61 (6) Be payable in such medium of payment and at such place; and

62 (7) Be subject to such terms of redemption, as provided in the
63 resolution of trust indenture. The bonds of the authority may be sold
64 by the authority, at public or private sale, at such price as the board
65 shall determine.

66 4. If the director whose signature or a facsimile of whose
67 signature appears on any bonds or coupons attached thereto ceases to
68 be a director before the delivery thereof, such signature or such
69 facsimile shall nevertheless be valid and sufficient for all purposes as
70 if such director had remained in office until such delivery. The board

71 may also provide for the authentication of the bonds by a trustee or
72 fiscal agent.

73 5. Before the preparation of definitive bonds, the authority may
74 issue interim receipts or temporary bonds until such definitive bonds
75 have been executed and are available for delivery.

76 6. The authority, subject to such agreements with bondholders
77 as may then exist, may purchase bonds of the authority, which shall
78 thereupon be cancelled at a price not exceeding:

79 (1) The redemption price then applicable plus accrued interest
80 to the next interest payment thereon if the bonds are then redeemable;
81 or

82 (2) The redemption price applicable on the first date after such
83 purchase upon which the bonds become subject to redemption plus
84 accrued interest to such date if the bonds are not then redeemable.

85 7. In the discretion of the board, the bonds may be secured by a
86 trust indenture by, and between, the authority and a corporate trustee,
87 which may be any trust company or bank having the power of a trust
88 company within or without the state. Such trust indenture may contain
89 provisions to protect and enforce the rights and remedies of the
90 bondholders as may be reasonable and proper and not in violation of
91 law, including covenants setting forth the duties of the authority in
92 relation to the exercise of its powers and the custody, safeguarding,
93 and application of all monies. The board may provide, by such trust
94 indenture, for the payment of the proceeds of the bonds and the
95 revenues to the trustee under such trust indenture or other depository
96 and for the method of disbursement thereof. Expenses incurred in
97 carrying out such trust indenture may be treated as a part of the
98 operating expenses of the authority.

99 8. Any bonds issued pursuant to sections 174.800 to 174.860, and
100 the income therefrom, including any profit from the sale thereof, shall,
101 at all times, be free from taxation by the state or any agency, political
102 subdivision, or instrumentality of the state.

103 9. Any holder of bonds issued under the provisions of sections
104 174.800 to 174.860, or any coupons relating thereto and the trustee
105 under any trust agreement or resolution authorizing the issuance of
106 such bonds, except the rights under sections 174.800 to 174.860, may be
107 restricted by such trust agreement or resolution, may, either at law or

108 in equity by suit, action, mandamus or other proceeding, protect and
109 enforce any and all rights under the laws of the state or granted under
110 sections 174.800 to 174.860, or under such agreement or resolution, or
111 under any other contract executed by the board pursuant to sections
112 174.800 to 174.860, and may enforce and compel the performance of all
113 duties required by this act by such trust agreement or resolution to be
114 performed by the authority or by a director thereof.

115 10. Notwithstanding provisions of sections 174.800 to 174.860, or
116 any recitals in any bonds issued under the provisions of sections
117 174.800 to 174.860 to the contrary, all bonds and interest coupons
118 relating thereto shall be negotiable instruments under the laws of this
119 state, subject only to any applicable provisions for registration.

120 11. Bonds issued under the provisions of sections 174.800 to
121 174.860 shall be securities in which all insurance companies, trust
122 companies, banking associations, savings and loan associations,
123 investment companies, executors, administrators, trustees, and other
124 fiduciaries may properly and legally invest funds, including capital in
125 their control or belonging to them. Such bonds shall be securities that
126 may properly and legally be deposited with, and received by, any state
127 or municipal officer, or any agency or political subdivision of the state
128 for any purpose for which the deposit of bonds or obligations of the
129 state is authorized by law.

130 12. Neither the state, nor the authority, shall be liable for bonds
131 of the authority, and such bonds shall not constitute a debt of the
132 state. Bonds shall contain a statement to such effect on their face. The
133 members of the board shall not be personally liable for bonds by reason
134 of the execution or issuance thereof. The state shall not limit or alter
135 the rights vested in the authority to fulfill the terms of any agreements
136 made with the holders thereof or in any way impair the rights and
137 remedies of such holders.

138 13. Nothing in sections 174.800 to 174.860 shall be construed as
139 a restriction or limitation upon any other powers that the authority
140 might otherwise have under any other law of this state, and sections
141 174.800 to 174.860 are supplemental to any such powers. The issuance
142 of bonds under the provisions of sections 174.800 to 174.860, however,
143 need not comply with the requirements of any other state law
144 applicable to the issuance of bonds. No proceedings, notice, or

145 approval shall be required for the issuance of any bonds or any
146 instrument as security therefor, except as is provided in sections
147 174.800 to 174.860.

148 14. Any provisions relating to bonds described in this section
149 may be included in contracts relating to obligations of the authority.

174.818. 1. The authority shall be governed by an eleven-member
2 board of directors, each of whom:

3 (1) Shall be a representative of the general public who is
4 recognized for outstanding knowledge and leadership expertise and
5 experience in one or more of the applicable fields;

6 (2) Does not, in the determination of the nominating committee,
7 have an inherent conflict of interest;

8 (3) Shall agree that if he or she develops an inherent conflict of
9 interest he or she shall immediately either divest himself or herself of
10 the inherent conflict of interest or otherwise eliminate such inherent
11 conflict of interest, or immediately resign from the board; and

12 (4) Must be a resident of the state.

13 2. The eleven directors who shall be appointed to the authority's
14 first board shall all be appointed by the governor no later than one
15 hundred eighty days after August 28, 2009, for the following initial
16 terms: four of the initial directors shall be appointed to an initial term
17 ending at the end of the third full year following their appointment;
18 four of the initial directors shall be appointed for an initial term
19 ending at the end of the second full year following their appointment;
20 and three of the initial directors shall be appointed for an initial term
21 ending at the end of the first full year following their
22 appointment. The initial term for each such initial director shall end
23 at the end of such stated period, or upon the earlier death, resignation,
24 permanent disability, or removal of such director.

25 3. After the end of the initial term of any director, each
26 subsequent member of the board shall be proposed to the board by the
27 nominating committee; considered and, if appropriate, appointed by the
28 board, for a term that expires at the end of the third full year following
29 the date of their appointment. In the event of a vacancy, the
30 appointment filling such vacancy shall be for the remainder of the
31 unexpired portion of the term. The governor shall be deemed to have
32 approved any person approved by the board for any open position or

33 vacancy on the board after the end of the initial terms if the governor
34 does not reject such appointment in writing, delivered to the board
35 within ten business days after the date such appointment is delivered
36 in writing by the board to the governor.

37 4. Any member of the board is eligible for reappointment, but
38 members of the board shall not be eligible to serve more than two
39 consecutive three year terms and may not be reappointed to the board
40 until they have not served on the board for a period of at least three
41 interim years.

42 5. All members of the board shall be subject to senate
43 confirmation. Any person appointed to the board shall serve as a full
44 member of the board pending senate confirmation but such person's
45 status as a member of the board shall be deemed terminated if and
46 when the senate rejects the nomination. No such termination shall
47 affect the validity of any action taken by the board with which such
48 member participating before such termination.

49 6. Each member of the board shall hold office for the term of
50 appointment and until the nomination of his or her successor has
51 become effective, subject to senate confirmation, except in the case that
52 a vacancy is created by the death, permanent disability, resignation, or
53 removal of a director, which shall become immediately effective.

54 7. The board annually shall elect one of their number as
55 chairperson and at least one other as vice-chairperson. The board also
56 shall elect a secretary and treasurer for terms to be determined by the
57 board. The board may elect the same person to serve as both secretary
58 and treasurer. The board shall establish an executive committee,
59 nominating committee, scientific advisory board, and
60 commercialization advisory board, and such other standing or special
61 committees as they deem appropriate, and prescribe their duties and
62 powers to the extent not set forth in sections 174.800 to 174.860. Any
63 executive committee of the board may exercise all such powers and
64 duties of the board as the board may delegate.

65 8. Members of the board shall serve without
66 compensation. Members of the board attending meetings of the board,
67 or attending a subcommittee meeting thereof that is authorized by the
68 board, shall be paid mileage and all other applicable expenses,
69 provided such expenses are consistent with policies established from

70 time to time by the board.

71 9. No funds of the authority shall inure to the benefit of, or be
72 distributed to, its employees, officers, or members of the board, except
73 that the authority may make reasonable payments for expenses
74 incurred on its behalf relating to any of its lawful purposes and the
75 authority shall be authorized and empowered to pay reasonable
76 compensation for services rendered to or for its benefit relating to any
77 of its lawful purposes, including to pay its employees reasonable
78 compensation.

79 10. Any member of the board may be removed by affirmative vote
80 of eight members of the board for malfeasance or misfeasance in office,
81 regularly failing to attend meetings, failure to comply with the
82 authority's conflicts of interest policy, or for any cause that renders the
83 member incapable of or unfit to discharge the duties of director.

84 11. The board shall meet at least four times per year and at such
85 other times as it deems appropriate, or upon call by the president or
86 the chairperson, or upon written request of a majority of the directors
87 of the board. Unless otherwise restricted by Missouri law, the directors
88 may participate in a meeting of the board by means of telephone
89 conference or other electronic communications equipment whereby all
90 persons participating in the meeting can communicate clearly with
91 each other, and participation in a meeting in such manner will
92 constitute presence in person at such meeting.

93 12. A majority of the total voting membership of the board shall
94 constitute a quorum for meetings. The board may act by a majority of
95 those at any meeting where a quorum is present, except upon such
96 issues as the board may determine shall require a vote of more
97 members of the board for approval. The board shall meet for the initial
98 meeting upon call by the governor, who shall designate one member of
99 the board to act as temporary chairperson until officers of the board
100 are elected pursuant to subsection 7 of this section. All resolutions and
101 orders of the board shall be recorded and authenticated by the
102 signature of the secretary or any assistant secretary of the board.

103 13. The board may adopt, repeal, and amend such rules,
104 procedures, and bylaws, not contrary to law or inconsistent with
105 sections 174.800 to 174.860, as it deems expedient for its own
106 governance and for the governance and management of the authority

107 and its committees and advisory boards.

108 14. The board shall appoint a president as soon as reasonably
109 practicable after the creation of the authority, who shall serve at the
110 pleasure of the board as the chief executive officer of the authority
111 reporting to the board. The president shall be a person of national
112 prominence, with expertise in one or more of the fields of applicable
113 expertise. The president's salary and other terms and conditions of
114 employment shall be set by the board. The board may negotiate and
115 enter into an employment agreement with the individual selected as
116 president of the authority, which may provide for compensation
117 allowances, benefits, and expenses. The president shall direct and
118 supervise administrative affairs and the general management of the
119 authority. Neither the president nor any other employee of the
120 authority shall be eligible to serve as a member of the board until two
121 years after the end of his or her employment by the authority. The
122 president and all employees of the authority shall be bound by, and
123 agree to obey, the authority's conflicts of interest policy, including
124 annually completing and submitting to the board a disclosure and
125 compliance certificate in accordance with such conflicts of interest
126 policy.

127 15. The board may provide supplemental benefits to the
128 president and other authority employees designated by the board in
129 addition to the benefits provided in sections 174.800 to 174.860.

 174.821. 1. The board shall establish an executive committee of
2 the authority, to be composed of the chairman, the vice-chairman, the
3 secretary, and at least two additional directors.

4 2. The executive committee, in intervals between meetings of the
5 board, may transact any business of the board that has been expressly
6 delegated to the executive committee by the board. If so stipulated by
7 the board, action delegated to the executive committee may be subject
8 to subsequent ratification by the board; provided, however that until
9 ratified or rejected by the board, any action delegated to, and taken by,
10 the executive committee between meetings of the board will be binding
11 upon the authority as if ratified, and may be relied upon by third
12 parties.

 174.824. The board shall establish a nominating committee of the
2 authority, to be composed of at least three members. The nominating

3 committee shall meet as necessary or appropriate to suggest candidates
4 to fill any expiring term or vacancy on the board. As set forth in
5 section 174.818, whenever a vacancy on the board occurs, except for the
6 initial appointment of directors by the governor under subsection 2 of
7 section 174.818, or a director's term is set to expire, the nominating
8 committee shall, with respect to each applicable vacancy, submit to the
9 board a proposed candidate. Candidates suggested by the nominating
10 committee shall not, in the determination of the nominating committee,
11 have an inherent conflict of interest. The nominating committee shall
12 consult with and take into consideration any input or comments
13 received from any directors or other persons, which the nominating
14 committee believes would be helpful to its deliberations for the purpose
15 of obtaining candidates to be nominated for election to the board.

174.827. 1. The board shall establish and maintain a scientific
2 advisory board, composed of not fewer than three members, each of
3 whom shall have national or internationally recognized expertise in the
4 areas of science and innovation and qualifications suitable for
5 membership in the National Academies of Science, the American
6 Association for the Advancement of Science, or another organization of
7 similar standard and repute. Members of the scientific advisory board
8 shall be selected for such terms of membership under such terms and
9 conditions, and for such compensation and other benefits, as the board
10 deems necessary and appropriate to advance the purposes of sections
11 174.800 to 174.860 and as are comparable to other similar public sector
12 bodies.

13 2. The scientific advisory board shall meet as necessary, but less
14 than four times each year. The board shall consult the scientific
15 advisory board, and the scientific advisory board shall review, analyze,
16 and advise the authority, including offering strategic guidance,
17 regarding scientific matters, including, but not limited to:

18 (1) Recruitment and support of eminent scholars and rising star
19 scholars;

20 (2) Quality and relevance of the scientific and technical
21 information being used or proposed as the basis for authority programs
22 and investments, including applied research and basic research;

23 (3) Status, progress, viability, and scientific merit of research
24 programs and the technical basis of applied programs; and

25 **(4) Scientific matters in science, innovation, and economic**
26 **issues.**

27 **3. The board may establish rules, policies, and procedures for the**
28 **selection and conduct of the scientific advisory board. Members of the**
29 **scientific advisory board shall be bound by, and shall agree to comply**
30 **with the authority's conflicts of interest policy, but may have an**
31 **inherent conflict of interest so long as such conflict is fully disclosed**
32 **to the board and to the other members of the scientific advisory board**
33 **and that appropriate procedures are followed to protect the interests**
34 **of the authority from such inherent conflict of interest, including but**
35 **not limited to appropriate recusal, abstinence, and confidentiality**
36 **procedures relating to the person with such inherent conflict of**
37 **interest.**

38 **4. Members of the scientific advisory board may be paid**
39 **compensation comparable to that received by members of comparable**
40 **scientific advisory boards, of national or international repute, serving**
41 **governmental, quasi-governmental, or nonprofit entities.**

174.830. 1. The board shall establish and maintain a
2 **commercialization advisory board, composed of not fewer than three**
3 **members, each of whom shall have national or internationally**
4 **recognized expertise in the areas of commercialization of science and**
5 **innovation. Members of the commercialization advisory board shall be**
6 **selected for such terms of membership, and on such terms and**
7 **conditions, and for such compensation and other benefits, as the board**
8 **deems necessary and appropriate to advance the purposes of sections**
9 **174.800 to 174.860 and as are comparable to other similar public sector**
10 **bodies.**

11 **2. The commercialization advisory board shall meet as necessary,**
12 **but not less than four times each year. The board shall consult with the**
13 **commercialization advisory board, and the commercialization advisory**
14 **board shall review, analyze, and advise the authority, including**
15 **offering strategic guidance, regarding commercialization matters,**
16 **including, but not limited to:**

17 **(1) Commercial startup, capitalization, and operation issues,**
18 **including issues related to venture capital, private equity, and other**
19 **equity and debt placements;**

20 **(2) Valuation, pricing, returns, and market evaluation, including**

21 market composition and market competition regarding specific
22 products and services;

23 (3) Procedures, policies, and techniques of investment and
24 assistance;

25 (4) Status, progress, viability, and commercial value of portfolio
26 companies; and

27 (5) Authority commercialization programs.

28 3. The board may establish rules, policies, and procedures for the
29 selection and conduct of the commercialization advisory
30 board. Members of the commercialization advisory board shall be
31 bound by, and shall agree to comply with, the authority's conflicts of
32 interest policy, but may have an inherent conflict of interest so long as
33 such conflict is fully disclosed to the board and to the other members
34 of the scientific advisory board and that appropriate procedures are
35 followed to protect the interests of the authority from such inherent
36 conflict of interest, including but not limited to appropriate recusal,
37 abstinence, and confidentiality procedures relating to the person with
38 such inherent conflict of interest.

39 4. Members of the commercialization advisory board may be paid
40 compensation comparable to that received by members of comparable
41 advisory bodies, of national or international repute, serving
42 governmental, quasi-governmental, or nonprofit entities.

174.833. 1. Except as otherwise provided in this section, the
2 authority shall be subject to requirements applicable to governmental
3 bodies and records contained in sections 610.010 to 610.225, RSMo.

4 2. In addition to the exceptions available under sections 610.010
5 to 610.225, RSMo, the records of the authority shall not be subject to
6 the provisions of sections 610.010 to 610.225, RSMo, when, in the
7 opinion of such body, the disclosure of the information in the records
8 would be harmful to the competitive position of the authority and such
9 records contain:

10 (1) Proprietary information gathered by or in the possession of
11 the authority from third parties pursuant to a promise of
12 confidentiality;

13 (2) Contract cost estimates prepared for confidential use in
14 awarding contracts for research development, construction, renovation,
15 commercialization, or the purchase of goods or services;

16 **(3) Data, records, or information of a proprietary nature**
17 **produced or collected by or for the authority, its employees, officers,**
18 **or members of its board;**

19 **(4) Financial statements not publicly available that may be**
20 **shared with the authority from third parties; and records and related**
21 **data;**

22 **(5) Consulting or other reports paid for by the authority to assist**
23 **the authority in connection with its strategic planning and goals; and**

24 **(6) The determination of marketing and operational strategies**
25 **where disclosure of such strategies would be harmful to the**
26 **competitive position of the authority.**

27 **3. In addition to the exceptions available under sections 610.010**
28 **to 610.225, RSMo, the authority, including the board, executive**
29 **committee, nominating committee, scientific advisory board, and**
30 **commercialization board, may discuss, consider, and take action on any**
31 **of the following in executive session, when in the opinion of the**
32 **authority, including as appropriate the board, executive committee,**
33 **nominating committee, scientific advisory board, and**
34 **commercialization board, disclosure of the items would be harmful to**
35 **the competitive position of the authority:**

36 **(1) Plans that could affect the value of property, real or personal,**
37 **owned or desirable for ownership by the authority;**

38 **(2) The condition, acquisition, use, or disposition of real or**
39 **personal property; or**

40 **(3) Contracts for applied research; basic research; science and**
41 **innovation product development, manufacturing, or commercialization;**
42 **construction and renovation of science and innovation facilities; or**
43 **marketing or operational strategies.**

174.836. 1. As soon as possible after August 28, 2009, the
2 authority shall adopt and maintain a "conflicts of interest policy" to
3 protect the authority's interests by requiring disclosure by an
4 interested party, appropriate recusal by such person, and appropriate
5 action by the interested party or the board where a conflict of interest
6 may exist or arise between the authority and a director, officer,
7 employee, or agent of the authority.

8 2. Each member of the board, scientific advisory board, or
9 commercialization board, and each officer, employee, or independent

10 contractor to the authority, shall agree to obey with conflicts of
11 interest policy, including annually completing and certifying to the
12 board a disclosure and compliance certificate in accordance with such
13 conflicts of interest policy and certifying that such person does not
14 have any inherent conflict of interest.

174.839. 1. The authority may employ such employees as it may
2 require and upon such terms and conditions as it may establish. The
3 authority shall establish personnel, payroll, benefit, and other such
4 systems as authorized by the board, such systems to be initially
5 established or contracted as designated by the board. The authority
6 shall determine the qualifications and duties of its employees. The
7 board shall develop and adopt policies and procedures that shall afford
8 its employees grievance rights, ensure that employment decisions shall
9 be based upon merit and fitness of applicants, and shall prohibit
10 discrimination because of race, religion, color, sex, or national origin.

11 2. Nothing in sections 174.800 to 174.860 shall be construed as
12 placing any officer or employee of the authority or member of the
13 board in the classified or the unclassified service of the state of
14 Missouri under Missouri laws and regulations governing civil service.

174.842. The authority shall be exempt from any general ad
2 valorem taxes upon any property of the authority acquired and used for
3 its public purposes, and from any taxes or assessments upon any
4 projects or upon any operations of the authority or the income
5 therefrom, and from any taxes or assessments upon any project or any
6 property or local obligation acquired or used by the authority under
7 the provisions of sections 174.800 to 174.860 or upon the income
8 therefrom. Purchases by the authority to be used for its public
9 purposes shall not be subject to sales or use tax under chapter 144,
10 RSMo. The exemptions hereby granted shall not extend to persons or
11 entities conducting business on the authority's property for which
12 payment of state and local taxes would otherwise be required.

174.848. Nothing contained in sections 174.800 to 174.860 shall be
2 construed as a restriction or limitation upon any powers that the
3 authority might otherwise have under other law of this state, and the
4 provisions of sections 174.800 to 174.860 are cumulative to such powers.

174.851. Nothing in sections 174.800 to 174.860 should be
2 construed as allowing the board to sell the authority or substantially

3 all of the assets of the authority, or to merge the authority with another
4 institution, without prior authorization by the general assembly.

174.854. Notwithstanding any state laws or regulations to the
2 contrary, the authority shall not be subject to any further process or
3 procedure that requires the submission, review, or approval to any
4 capital project.

174.857. Notwithstanding the provisions of section 23.253, RSMo,
2 to the contrary, the provisions of this section shall not sunset. The
3 provisions of sections 174.800 to 174.860 shall terminate upon the
4 satisfaction of all outstanding obligations, notes, and bonds provided
5 for under sections 174.800 to 174.860.

174.860. The authority may, at the election of the board, affiliate
2 with the Missouri state employees retirement system with respect to
3 any or all employees employed by the authority on or after August 28,
4 2009. The authority may, at the election of the board, adopt, in
5 accordance with requirements of the federal Internal Revenue Code, a
6 retirement plan or plans sponsored by the authority with respect to
7 employees employed by the authority on or after August 28, 2009. The
8 authority may, at the election of the board, provide death and disability
9 benefits.

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